

HOUSE BILL No. 1504

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-13-2-14.4.

Synopsis: Cost benefit analysis of outsourcing. Requires a state agency to do a cost benefit analysis before entering into a contract for services. Requires the department of administration to compile semiannual reports on the cost benefit analysis for each contract.

Effective: Upon passage.

GiaQuinta, Herrell, Reske, Pearson

January 14, 2009, read first time and referred to Committee on Public Policy.

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First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

HOUSE BILL No. 1504

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-13-2-14.4 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14.4. **(a) As used**
3 **in this section, "cost benefit analysis" means a comprehensive**
4 **study to identify and compare the total cost, quality, technical**
5 **expertise, and timeliness of a service performed by a state**
6 **employee with the total cost, quality, technical expertise, and**
7 **timeliness of the same service provided under a contract for**
8 **services.**

9 **(b) Before a state agency may enter into a contract for services to be**
10 **provided in lieu of appointing employees to available positions, the**
11 **agency must justify the cost effectiveness of the contract to the**
12 **commissioner of the department of administration, and conduct a cost**
13 **benefit analysis.**

14 **(c) The cost benefit analysis required by subsection (b) must be:**

- 15 **(1) submitted to the commissioner;**
16 **(2) submitted to the legislative council; and**
17 **(3) made available to the public;**



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1 at least ninety (90) days before the effective date of the contract.
 2 The analysis submitted to the legislative council must be in an
 3 electronic format under IC 5-14-6.

4 (d) The commissioner of the Indiana department of
 5 administration shall twice each year compile and make available
 6 for public inspection a report concerning the cost benefit analysis
 7 of each contract for services awarded by each state agency. Before
 8 February 1 of each year, the commissioner shall compile and make
 9 available a report covering the six (6) month period ending
 10 December 31 of the preceding calendar year. Before August 1 of
 11 each year, the commissioner shall compile and make available a
 12 report covering the six (6) month period ending June 30 of that
 13 year. The commissioner shall also submit a copy of the report to
 14 the legislative council in an electronic format under IC 5-14-6.

15 SECTION 2. [EFFECTIVE UPON PASSAGE] (a)
 16 Notwithstanding IC 4-13-2-14.4(d), as amended by this act, the
 17 commissioner of the Indiana department of administration is not
 18 required to file the first report under IC 4-13-2-14.4(d), as
 19 amended by this act, until February 1, 2010.

20 (b) This SECTION expires July 1, 2010.

21 SECTION 3. An emergency is declared for this act.

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